

Message Text

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TAGS: SOPN, OVIP (VANCE)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT GRAHAM HOVEY BY-LINER, NEW YORK TIMES, FRIDAY, JUNE 24, HEADED "US OFFICIALS DIVIDED OVER LOAN TO CHILE".

2. WASHINGTON, JUNE 23--ADMINISTRATION OFFICIALS SAID TODAY THAT ARGUMENTS HAD BEEN GOING ON IN SEVERAL GOVERNMENT AGENCIES FOR MORE THAN A WEEK OVER THREE PROPOSED AGRICULTURAL LOANS TO CHILE BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

3. THE ARGUMENT INVOLVES THE STRONG COMMITMENT OF THE CARTER ADMINISTRATION TO HUMAN RIGHTS IN THE CONDUCT OF FOREIGN POLICY AND THE DELIBERATELY ALOOF POSTURE IT HAS ASSUMED TOWARD THE MILITARY DICTATORSHIP IN CHILE.

4. HEADING THE FIGHT FOR GRANTING THE CREDITS ON HUMANITARIAN AND DEVELOPMENT GROUNDS IS TERENCE A. UNCLASSIFIED

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TODMAN, ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS. HE IS BACKED BY OFFICIALS OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE DEFENSE DEPARTMENT.

5. OPPOSING THE LOANS ARE STATE DEPARTMENT AND OTHER ADMINISTRATION OFFICIALS CONCERNED ABOUT THE REACTION IN THIS COUNTRY AND ABROAD TO THE GRANTING OF ANY AID

TO CHILE AT A TIME WHEN THE UNITED STATES HAS OPENLY CRITICIZED THE MILITARY JUNTA FOR ABUSING HUMAN RIGHTS. MARK SCHNEIDER, UNTIL RECENTLY A MEMBER OF THE STAFF OF SENATOR EDWARD M. KENNEDY, DEMOCRAT OF MASSACHUSETTS, AND NOW THE STATE DEPARTMENT'S DEPUTY COORDINATOR FOR HUMAN RIGHTS, IS SAID TO HAVE SPEARHEADED THE OPPOSITION TO THE LOANS IN INTERAGENCY MEETINGS.

6. THE INFORMANTS SAID THE ARGUMENT MIGHT HAVE TO BE REFERRED TO SECRETARY OF STATE CYRUS R. VANCE.

7. AT ISSUE IS ABOUT \$11 MILLION FOR RURAL PROJECTS THAT AID OFFICIALS SAID WOULD DIRECTLY BENEFIT AT LEAST 60,000 CHILEAN FARMERS LIVING IN POVERTY. THE BIGGEST UNDERTAKING WOULD BE A \$14 MILLION IRRIGATION PROJECT IN THE LIMARI RIVER BASIN OF COQUIMBO PROVINCE, SOME 400 MILES NORTH OF SANTIAGO.

8. UNDER THE PROPOSALS, THE CHILEAN GOVERNMENT WOULD PROVIDE \$6.7 MILLION, WITH \$700,000 MORE TO BE CONTRIBUTED BY THE PEOPLE OF THE AREA. AID WOULD GRANT A \$7 MILLION LOAN.

9. OTHER PROJECTS, EACH INVOLVING A \$2 MILLION AID CREDIT, WOULD PROVIDE ARID-ZONE TECHNOLOGY FOR SUBSISTENCE FARMERS ON MARGINAL LAND AND INSTRUCTION IN UNCLASSIFIED

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FARM MANAGEMENT AND "BUSINESS AWARENESS" FOR SMALL FARMERS WHO HAVE BEEN GIVEN LAND IN CHILE'S AGRARIAN REFORM PROGRAM.

10. ONE OFFICIAL WHO IS OPPOSED TO GRANTING THE CREDITS TO CHILE CONCEDED THAT "THE PROJECTS THEMSELVES CAN BE VIEWED AS FOR THE BENEFIT OF THE NEEDY AND WITHIN THE SPECIFICATIONS CONGRESS HAS APPROVED." IN TRYING TO RESTRICT GRANTS AND LOANS TO GOVERNMENTS ACCUSED OF HUMAN RIGHTS VIOLATIONS, CONGRESS HAS ALLOWED EXCEPTIONS WHERE IT COULD BE DEMONSTRATED THAT THE AID WOULD GO TO THE VERY POOR.

11. MR. TODMAN IS KNOWN TO HAVE ARGUED STRENUOUSLY FOR THE LOANS ON THE GROUND THAT THE PROJECTS WOULD HELP VERY POOR CHILEAN FARMERS WITHOUT HAVING THE EFFECT OF APPRECIABLY BOLSTERING THE MILITARY GOVERNMENT.

12. THE CARTER ADMINISTRATION FROM THE OUTSET HAS SEIZED OPPORTUNITIES TO SIGNAL ITS DISTASTE FOR CHILE'S MILITARY RULERS AND TO LINE UP WITH ITS CRITICS, ESPECIALLY IN THE HUMAN RIGHTS AREA.

13. LAST MONTH, FOR EXAMPLE, VICE PRESIDENT MONDALE MET AT THE WHITE HOUSE WITH CHILE'S FORMER PRESIDENT, EDUARDO FREI MONTALVO, WHOSE CHRISTIAN DEMOCRATIC PARTY WAS OFFICIALLY BANNED IN MARCH AND WHO NOW IS A LEADING CRITIC OF THE JUNTA.

14. DEPUTY SECRETARY OF STATE WARREN M. CHRISTOPHER IS SCHEDULED TO PRESIDE TOMORROW OVER A MEETING OF SENIOR OFFICIALS OF THE AGENCIES INVOLVED IN THE DISCUSSION ABOUT THE LOANS TO CHILE IN A FRESH EFFORT TO REACH A DECISION. MOST OFFICIALS REACHED TODAY PREDICTED THAT THE LOANS WOULD BE DENIED. END TEXT. CHRISTOPHER

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